



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

ADOPTED

Community Development Commission

June 09, 2010

The Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

1-D

JUNE 9, 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE PURCHASE OF PROPERTY INSURANCE, EXCESS WORKERS' COMPENSATION
AND EXCESS GENERAL AND AUTOMOBILE LIABILITY INSURANCE FOR THE COMMUNITY
DEVELOPMENT COMMISSION AND HOUSING AUTHORITY
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends approval of the purchase of property insurance, excess workers' compensation insurance, and excess general and automobile liability insurance for the Community Development Commission (Commission) and Housing Authority.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the combined purchase, with the Housing Authority, of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance, at a premium cost not to exceed \$700,000 for the period from July 1, 2010 to June 30, 2011, through Alliant Insurance Services, Inc.
2. Authorize the Executive Director to purchase the property insurance, excess workers' compensation insurance and excess general and automobile liability insurance and to make payments, as needed, for workers' compensation and general liability claims, using funds requested in the Fiscal Year 2010-2011 budget.
3. Find that the purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to purchase property insurance, excess workers' compensation insurance, and excess general and automobile liability insurance for the Commission and the Housing Authority under Joint Purchase Programs created by Alliant Insurance Services, Inc. (Alliant). The proposed purchase will provide required excess coverage above the Commission and Housing Authority's self-insured retentions. Excess coverage limits the Commission and Housing Authority's exposure in case of large losses relating to general liability and worker's compensation.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The total approximate annual premium cost is \$700,000. These funds are included in the Commission and Housing Authority's approved Fiscal Year 2010-2011 budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 25, 1993, the Board approved the Commission and Housing Authority's participation in a Joint Purchase Program provided by Robert F. Driver Company, now known as Alliant Insurance Services. The property, excess workers' compensation, and excess liability and automobile insurance programs combine the purchasing power of public agencies to obtain insurance at rates below those available individually. Programs are underwritten by numerous insurance carriers, which are all rated "A" (Superior to Excellent) by Best's Key Rating Guide. There is no sharing of limits or risk, and each participant is protected to the same extent as if separate policies had been written, with the exception of the excess workers' compensation insurance.

Excess workers' compensation insurance is provided through the California State Association of Counties (CSAC). The renewal of excess workers' compensation coverage will be placed directly with CSAC. There have been no changes to the program itself as it is a pooled program with risk sharing and is an assessable program. The program and rates offered are far superior to those available on an individual basis.

The Joint Purchase Programs provided by Alliant offers excess general, automobile liability, and property insurance. Few carriers meeting the Commission and the Housing Authority's rating requirements are prepared to offer coverage as broad as this program. These items, which are usually purchased separately for an additional premium, are included as part of the master policy.

ENVIRONMENTAL DOCUMENTATION

The purchase of property insurance, excess workers' compensation insurance and excess general and automobile liability insurance is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed insurance will provide all the required coverage for Commission and Housing Authority properties and activities.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

SR:mc